GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5142
ANSWERED ON:26.04.2002
HOSPITALS UNDER TAX NET
GADDE RAMAMOHAN;NIVEDITA MANE;VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

(a) whether a survey has revealed that more than 66% of non-banking Finance Companies and a large number of private hospitals and Nursing Homes have not been brought under tax net;

(b) if so, the details thereof, State-wise;

(c) whether there are more than 12,000 NBFCs yet to be assessed for taxable income;

(d) if so, whether short levy of tax on the above account exceeds Rs.1,000 crores; and

(e) if so, the further steps taken by Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a), (b) & (c) The C & AG in their Report No.12 A of 2002 (for the year ended 31.3.2001) laid down in Parliament on 15th March, 2002 have included the results of the Review on Private Banking Companies and Non Banking Financial Companies and Private Hospitals and Nursing Homes. As per this report, in the States of Bihar, Gujarat, Haryana, Kerala, Uttar Pradesh, Delhi & West Bengal, 12,210 (or 66%) of the 18,435 NBFCs identified by Audit were not in the tax net.The state wise break-up of Private Hospitals and Nursing Homes is available in the C & AG`s report, (Annexure).

(d) As per the report of the C &AG irregularities on account of failure to follow the statutory provisions resulted in total short levy of tax of Rs.104177.18 lakh in 1587 cases.

(e) The Report of C & AG is being examined in the CBDT with a view to give para wise reply to C & AG and to determine the correctness or otherwise of the aforesaid audit observations. Suitable action can be taken after verification of facts.